

Members

Sen. Thomas Weatherwax, Chairperson
Sen. John Waterman
Sen. James Lewis
Sen. Richard Young
Rep. Robert Hoffman
Rep. Phyllis Pond
Rep. Robert Bischoff
Rep. Paul Robertson



NATURAL RESOURCES STUDY COMMITTEE

Legislative Services Agency
200 West Washington Street, Suite 301
Indianapolis, Indiana 46204-2789
Tel: (317) 233-0696 Fax: (317) 232-2554

LSA Staff:

Steven R. Wenning, Attorney for the Committee
Bernadette Bartlett, Fiscal Analyst for the Committee

Authority: IC 2-5-5-1

MEETING MINUTES¹

Meeting Date: September 27 & 28, 2006
Meeting Time: 12:30 P.M.
Meeting Place: Clifty Inn, Clifty Falls State Park
Meeting City: Madison, Indiana
Meeting Number: 1

Members Present: Sen. Thomas Weatherwax, Chairperson; Sen. James Lewis; Sen. Richard Young; Rep. Robert Hoffman; Rep. Phyllis Pond; Rep. Robert Bischoff.

Members Absent: Sen. John Waterman; Rep. Paul Robertson.

Senator Weatherwax (Chair) called the meeting to order at 12:55 p.m. After members of the Committee were introduced, the Chair called upon the Clifty Falls Inn Manager to make the first presentation.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Topic: Clifty Falls State Park Inn

Karen Hinton, Inn Manager, Clifty Falls State Park

Ms. Hinton reviewed some of the changes that have taken place at the Clifty Inn since the new Riverview part of the Inn was added in 2003, including the following:

- The new addition contains 31 rooms and three suites. The suites are already booked most weekends for the next two years.
- The Riverview and Parkview rooms at the Inn have an occupancy rate of 61% (out of season) and 71% (in season), which represents the best occupancy rate in the area.
- The guest satisfaction rate has risen from 51% in 2003 to 95% in 2006.
- In 2003, the kitchen area was enlarged and new conference rooms were added. Clifty Inn now has the largest conference facility in Madison, Indiana. The conference facility has also helped increase the occupancy rate for hotels in the surrounding area.
- Advertising has been expanded to include the Cincinnati and Louisville areas.

Topic: Great Lakes - St. Lawrence River Basin Water Resources Compact - Annex 2001

Kyle Hupfer, Director, Department of Natural Resources

Mr. Hupfer provided information on the following agreements and laws concerning the Great Lakes (Exhibit # 1):

- Boundary Waters Treaty of 1909
- Great Lakes Charter of 1985
- Water Resources Development Act of 1986
- Great Lakes - St. Lawrence River Basin Water Resources Compact - Annex 2001 (Great Lakes Compact - Annex 2001)

The governors of the Great Lakes states and the premiers of Ontario and Quebec signed an agreement in 2005 to seek ratification of the Great Lakes Compact - Annex 2001 within their jurisdictions. The Compact deals with several issues affecting water volume, including diversions of water from the Great Lakes basin, in-basin uses, conservation, and efficiency of water use. The Compact does not address issues concerning fishing or water quality.

John Goss, Executive Director, Indiana Wildlife Federation

Mr. Goss stated that the Great Lakes Compact - Annex 2001 represents a consensus of the concerns facing the states and provinces in the Great Lakes basin. The Indiana Wildlife Federation supports the Compact and encourages the Indiana General Assembly to adopt it as soon as possible. The next step is to cleanup the Great Lakes (e.g. reduce sewage overflow, manage invasive species, etc.). Congress is developing the Great Lakes Restoration Program that will impact all the states and provinces adjoining the Great Lakes.

Lynn Dennis, Director of Government and Community Relations, The Nature Conservancy

Ms. Dennis supported the Great Lakes Compact - Annex 2001 because it would provide benefits to all the states and provinces that are connected by the Great Lakes. She stated that the Nature Conservancy could supply any technical information concerning the Compact that the members may want.

Topic: House Resolution 13-2006 regarding Rail/Trail Corridors

Kyle Hupfer, Director, Department of Natural Resources

Mr. Hupfer stated that for the past several years most of the efforts to create new trails has been through local planning. There has not been a comprehensive statewide plan that allowed local governments to see the routes for future trails. By providing information on proposed trail routes and prioritizing the development of trails, local governments can plan their trails to access that state trail system. The trail plan was developed with the input of about 40 people who represented various interest groups, including trail users, local governments, and farmers. In addition to the benefits trails provide to Hoosiers, trails attract businesses to the state when they assess the quality of life factors for their employees. A good trail system also increases tourism to the area. Governor Mitch Daniels wants to increase state funding for new trails. With all the groups that support the new state trail plan, there is an increased opportunity to secure local funding. Although the state wants to own as little of the statewide trail as possible, some of the planned trail will use enhanced road berms that are developed with money from the Indiana Department of Transportation (INDOT) and the Department of Natural Resources (DNR).

In response to Representative Hoffman's question regarding liability issues of property owners who allow their land to be used for a trail, Mr. Hupfer stated that the General Assembly has already addressed the issue by enacting laws to protect property owners. (See IC 8-4.5-6-5 and IC 14-22-10-2.)

Allen W. Patterson, Executive Committee Chair, Indiana Parks and Recreation Association

Mr. Patterson distributed a summary (Exhibit # 2) and discussed changes the Indiana Parks and Recreation Association would like to see made to the laws governing transportation corridor planning (IC 8-4.5). An important change would be to allow INDOT the right of first refusal to acquire abandoned rights-of-way. The Association would like legislation to allow the establishment of local park districts (Exhibit # 3) and the creation of a dedicated funding source (Exhibit # 4). Mr. Patterson stated that trail usage is rising in Indiana as evidenced by a recent DNR survey showing that the Monon Trail gets over one million visitors a year, the parking at Hamilton County trail heads is filled, and more physicians are advising their patients to walk and jog on a regular basis. Federal money for trails is in decline. However, surveys indicate the public is willing to pay more if they know the money will go to park and recreation programs. Other states have found ways to raise money without increasing property taxes (e.g. sales tax on sports and recreation equipment, real estate transfer tax, sales tax on bottled water, and sales tax on beverages in bottles and cans).

Lynn Dennis, Director of Government and Community Relations, The Nature Conservancy

Ms. Dennis said that the Nature Conservancy has conducted surveys in the state that show support for using lottery money for parks and recreation.

In response to Committee questions, the following information was presented:

Kyle Hupfer, Director, Department of Natural Resources

- DNR tries to avoid acquiring abandoned railroad corridors unless the land is transferred in fee simple. Railroads were built in the state on land acquired in fee simple, by quit claim deed, or through an easement, or the railroad just built the track on other people's land.

Steve Waltz, Interim Executive Director, Indiana Parks and Recreation Association

- The creation of park districts works best in municipal areas.
- Private companies are willing to donate money for new projects but consider maintenance costs to be an item that the government should pay.

Bill Koehler, Superintendent, New Albany-Floyd County Department of Parks and Recreation

- New Albany and Floyd County combined their parks and recreation departments. Their goal is for the department to be self sufficient. Currently, 50% of the department's funding comes from fees. In the future they may be able to generate 75% of their revenue from fees.
- Alabama funds its parks and recreation departments through a combination of room taxes and property taxes.
- Local citizens should decide what fees and taxes they would like to pay for parks.

Topic: Other Business

In response to questions by the committee, **Kyle Hupfer** stated the following:

- DNR is in a lawsuit with 7-8 canned hunting facility operators. The court has issued an injunction that allows the operators to continue operating while the lawsuit is pending. If a court settlement is reached with the operators, DNR may ask the General Assembly to codify the settlement.
- Steuben and Kosciusko Counties have solved the problem of funneling additional lake users through small lots through the adoption of ordinances.

The Chairperson recessed the meeting at 3:30 p.m. The meeting was reconvened at 9:30 a.m. on September 28, 2006. Each member of the Committee that was in attendance on the 27th was present.

Topic: Update on Previous Issues Before the Committee

Kyle Hupfer, Director, Department of Natural Resources

Mr. Hupfer provided the Committee with an update on the following issues that have been studied by the Committee:

- SEA 157-2006 merged two advisory councils into a single advisory council to serve the Bureau of Water and Resource Regulation and the Bureau of Lands and Cultural Resources. The new council met for the first time on August 30, 2006.
- HEA 1138-2006 appropriated money for land acquisition. The money has not been used. DNR hopes to use the money, with other private funds, to obtain the property at Minnehaha. DNR does not want to use federal funds so that federal restrictions will not apply to the use of the land.
- Hunting field trials are being conducted at some reservoirs. The property at Minnehaha would allow a permanent site for large field trials.
- HEA 1138-2006 allowed free hunting days for youth. The first free hunting day was in early September. DNR has received positive feedback and hunting groups are helping promote hunting by youth.
- Forestry issues: (Exhibit # 5)
 - Timber sales have increased in state forests. The regeneration openings increase forest diversity and wildlife habitat. 15% of all timber revenue is distributed to the counties where the timber is located.
 - SEA 354-2006 merged two classified land programs, redefined "merchantable timber, and excluded certain Division of Forestry practices from environmental impact statement requirements.
 - Other classified forest management initiatives have begun, including:
 - Relocate district forester field offices on DNR properties.
 - Institute a consumer feedback and evaluation program.
 - Establish a demonstration forest in each district.
- The Department of Revenue appears to be collecting and distributing the correct amount from fuel sales at marinas.

Topic: Voluntary Conservation Licenses

Kyle Hupfer, Director, Department of Natural Resources

Mr. Hupfer stated that attempts to enact a senior fishing license have not passed the Indiana House of Representatives. Information regarding senior fishing licenses was distributed to Committee members. (Exhibit # 6) Another proposal would be to establish a voluntary conservation license that would contain the following elements:

- The license would be voluntary for non-consumptive users (e.g. bird-watchers, hikers, etc.).
- Revenues from the license would go to the Heritage Trust Program.
- The cost would not exceed the cost of a combination hunting/fishing license.
- If DNR ever establishes a fee to access a fish and wildlife area, the license would allow the person free admission to the area.

In response to questions by the Committee, Mr. Hupfer stated that federal money is distributed to the state for each license sold. It is not based on the cost of the license. However, the price must cover the administrative cost of issuing a license. The federal government uses an actuarial table to determine how many years to pay on lifetime licenses.

John Goss, Executive Director, Indiana Wildlife Federation

Mr. Goss stated that DNR had a voluntary access license in 1990 which was not successful because it was not advertised and was hard to obtain. The idea may work now that DNR has Internet access and a point-of-sale system to sell licenses. DNR's Goose Pond property attracts more bird watchers than hunters. There are many people who would be willing to pay for a voluntary license if they knew the money was going to something they support like the Heritage Trust Program.

Lynn Dennis, Director of Government and Community Relations, The Nature Conservancy

Many groups currently volunteer their time to help maintain trails, plant trees, etc. They are already investing sweat equity, so any fees should be voluntary. There are many areas of conservation that people are interested in supporting (e.g. habitat for endangered grassland birds).

Topic: Reconstruction in Floodways

George Bowman, Assistant Director, Division of Water, DNR

Mr. Bowman stated that there is not enough money available to buy the homes in the state that are located in floodways and are below the 100 year flood level. There is no authority to require existing homes to be raised above flood level until after they are damaged. There are inconsistencies in the law. An example: If a home is damaged by something other than a flood the owner can rebuild the home at one foot above the 100 year flood level. However, if a barn or detached garage is destroyed by non-flood causes it must be rebuilt at two feet above the 100 year flood level. Mr. Bowman distributed information regarding the Flood Control Act and the 2006 public questionnaires with summaries. (Exhibits # 7 and # 8) Five meetings were held around the state in June 2006. Only 38 people attended. A questionnaire was sent out to attendees and local governmental officials. The majority of the responses indicated that damaged homes in floodways should not be reconstructed and the lowest floor level should be two feet above the 100 year flood elevation. About 58% of the responses came from permit officials with 12% coming from property owners. Local governments need to enforce the floodway laws at the building permit level.

In response to Committee questions, Mr. Bowman stated that if the local community participates in the National Flood Insurance (NFI) Program anyone in the community can acquire flood insurance, even if they are not in the floodway. Some insurance companies do not understand this and inform customers that they cannot obtain flood insurance. The premium rates for flood insurance outside the floodway are very low.

Markt Lytle, former State Representative

Mr. Lytle made the following observations:

- Some areas that do not participate in the NFI Program also do not have zoning laws.
- Mortgage companies require owners in flood plains to carry NFI.
- People who want to live near rivers know that there is a risk of floods.
- The prohibition on building in a floodway only applies to residences, not businesses.

Mr. Lytle concluded by stating that a fund should be established to help buyout owners who want to leave the floodway. The fund could come from a fee placed on all homes that are in floodways.

Topic: Other Business

Dick Mercier, Indiana Sportsmen's Roundtable

Mr. Mercier stated that the Sportsmen's Roundtable supported the settlement that DNR has negotiated with high-fenced hunting operators. The settlement allows the owners to recoup their investment and ends confined hunting in the state. Mr. Mercier also reminded the members of the Committee that the second vote on the Constitutional amendment to make hunting, fishing, and harvesting game a right must pass the General Assembly this next two year cycle.

The Chair announced that the Committee's final meeting will take place on October 12, 2006 at Ft. Harrison State Park. The meeting was adjourned at 11:45 a.m.